

**Kentucky Energy and Environment Cabinet
Department for Energy Development and
Independence**

**2013-2014 Energy Research
Grant Program**

Application Manual

Prepared by:

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Revised: February 19, 2013

Energy and Environment Cabinet
Department for Energy Development and Independence
2012-2013 Energy Research
Grant Program
Application Manual

1. Overview

The purpose of this Grant Program is to select and award grants to applicants having qualifications and experience to successfully develop and perform energy research and development projects in Kentucky. The Kentucky State/Executive Branch fiscal year 2012-14 Budget (HB 265) authorizes a portion of the funding from the Local Government Economic Development Fund, Multi-County Fund, be credited to the Department for Energy Development and Independence (the Department), Energy and Environment Cabinet (the Cabinet).

The legislation specifies that these funds shall be used for research projects relating to clean coal, new combustion technology, thin-seam coal extraction safety, tracking and communication devices, coal slurry disposal, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties
http://dlg.ky.gov/NR/rdonlyres/E2101B2E-42C2-4E7E-B487-996CD60E42A6/0/gold_coal_eligible_5158.pdf.

2. Eligible Applicants

The Department seeks applications from a broad spectrum of Kentucky organizations involved in energy research or whose business affects or is affected by energy issues. Specifically, the following types of organizations are eligible:

- Post-secondary educational institutions (public and private);
- Commercial/ Industrial entities, including manufacturers, industrial developers and utilities;
- Non-profit organizations engaged in scientific, economic, or engineering research;

Organizations may prepare and submit applications on behalf of client organizations (one or more). However, the client organization must include a letter of participation in the application package. The Department will only enter into the Agreement with the client organization.

An organization may submit multiple applications if it has the capability and expertise to do so. However, only one application for each topic listed above may be submitted by a single organization.

3. Grant Program Funding

In the approved 2012-14 biennial budget the Department received funds for the Energy Research Grant Program. A portion of these funds will be awarded through the Grant Program in each year of the biennium. The Department intends, but is not required, to award the second tranche of Agreements on July 1, 2013.

The Department reserves the right to award multiple Agreements to applicants conforming to the requirements of this application and in the best interest of the Commonwealth.

4. Grant Application Timing and Delivery

Grant applications are due in the Department for Energy Development and Independence (DEDI) office not later than 4:30 PM Eastern Time on March 27, 2013. Applications will not be accepted after that date and time. An exception will be that mailed applications received after March 27 will be accepted if they are postmarked **prior** to March 27. Grant Applications and three copies are to be mailed or delivered to:

Paul Brooks
Energy and Environment Cabinet
Department for Energy Development and Independence
500 Mero Street
Frankfort, KY 40601
502-564-7192
paul.brooks@ky.gov

Electronic or facsimile applications will not be accepted. The application package must comprise **an original and three copies** of the complete application.

5. Grant Application Form and Content

The Grant Application comprises:

- The Application Form (**Attachment 1**) which includes an Executive Summary of the project. The Executive Summary must describe the salient elements of the project's technical content and cost within a 1,200-word limit.

- A narrative for the project that describes the full technical and cost detail of the project. The project narrative should be no more than 25 pages, using Times New Roman 12 point font (excluding the executive summary). The narrative should include detailed discussion of the research to be conducted in the specific legislated category listed in section 1 overview, including the goal(s) of the research and the expected outcome of the research effort at the end of the program. The narrative should also include a discussion of the cost of the project, whether in lump-sum or phases, how the elements of cost specified in Attachment 2, Budget, relate to the goals of the project, and a cost-benefit analysis of the project.
- A discussion of the leveraged or matching funding that will be employed with the Cabinet's funds to implement the project. This discussion is a section within the narrative. The Cabinet uses the term "leverage funds" in the same context as matching funds, and for purposes of this application only cash contributions will be considered. Cash contributions will be evidenced by a letter of commitment.
- For purposes of including as match, applicants must monetize contributions, be they labor, real property, or service, and stipulate that the monetary equivalent is being utilized for the project. The same applies to donated equipment, land, or services. Indirect charges do not qualify as these are often a reflection of infrastructure costs and/or non-task support staff. Since these exist without the project, they are not considered match.
- A completed Detailed Budget (**Attachment 2**). Each item of the budget form is to be addressed; marked with zero if not applicable.
- Each applicant is responsible for submitting all relevant, factual and correct information with the application to enable the evaluator(s) to afford each applicant the maximum score based on the available data submitted by the applicant.

6. Evaluation and Scoring of Grant Applications

The Cabinet will conduct a comprehensive, fair and impartial evaluation of all applications and score the applications based on the following factors:

- Strength of the application in meeting the objectives of the Legislation (40 points) with consideration given to the following:

- The applicability of the project and its goals to the category of energy research specified;
 - The expected benefit of the research to the specified category of energy research, the affected Kentucky's Local Government Economic Development Fund-eligible counties , and the Commonwealth as a whole;
 - The relevance of the project to the advancement of the goals outlined in the “Intelligent Energy Choices for Kentucky’s Future: Kentucky’s 7-Point Strategy for Energy Independence” with specific reference to applicable sections of Strategies 3, 4, 5, and 6.
<http://energy.ky.gov/resources/Pages/EnergyPlan.aspx>
- Qualifications, Experience, Capabilities, and Scheduling (25 points)
 - Relevant experience with the technology or process;
 - Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support; and
 - Schedule, milestones, and deliverables of project.
 - Ability to leverage(match) funding to enhance overall project objectives (up to 15 points)
 - Funds leveraged as a percentage of project are scaled from zero points (zero match) to 15 points (match equal to or greater than 100% of funds requested) The table in Attachment 3 reflects how points will be prorated in relationship to the percent of leverage.
 - For purposes of evaluating and scoring the applications, only cash contributions will be considered as leverage (match).
 - Reasonableness of budget – A budget, using at a minimum the budget categories listed in Attachment 2, must be provided, with justification for each expense category. Project budget will be evaluated and scored for reasonableness by comparing cost vs. benefits of the overall application (20 points).

EVALUATION CRITERIA	POINTS POSSIBLE
Strength of Project in Meeting objectives of the grant program)	40
Qualifications, Experience, Capabilities, and Scheduling	25
Ability to Leverage Funding	15
Reasonableness of Budget	20
TOTAL POINTS POSSIBLE	100 POINTS

7. Grant Application Evaluation Process

The Cabinet will evaluate the applications using the following process:

The Secretary will establish a grant review team consisting of DEDI employees and other knowledgeable Cabinet personnel, as appropriate.

After the close date, the review team will evaluate and score each application according to all criteria in the Application Manual, and rank the applications according to total score.

The top-scoring applications will be nominated for award.

The Secretary, Commissioner, and grant review team will convene and allocate available grant funding to top-scoring applications.

Funding will be awarded to top-scoring applications according to fund limitations and the merit of the applications. Applications may be partially funded based on an agreed revised scope and budget between the Applicant and the Department.

The Department will prepare an Agreement with awarded applicants.

8. General Information About the Grants

Applicants are encouraged to submit written questions to Paul Brooks via email at paul.brooks@ky.gov. Oral questions will not be accepted at any time. The Cabinet will respond to salient questions in writing with a Questions and Answers compilation and post that document to the Cabinet's web site <http://energy.ky.gov>.

The Application Manual, Application, Detailed Budget form, and Questions and Answer compilation are posted to the Cabinet's web site: <http://energy.ky.gov> .

It is the applicants' responsibility to ensure that copies of all information and forms have been obtained.

The Department will not disclose any portions of the applications prior to grant award to anyone outside the Energy and Environment Cabinet and the members of the evaluation committee. After a grant is awarded in whole or in part, the Department may duplicate, use, or disclose all application data submitted by Applicants in response to this Grant Program as a matter of public record. Although the Department recognizes the Applicant's possible interest in preserving selected data which may be part of an application, the Department must treat such information as provided by the Kentucky Open Records Act, KRS 61.870 *et sequitur*.

Informational areas which normally might be considered proprietary will be limited to individual personnel data, customer references, selected financial data, formulae, and financial audits which, if disclosed, would permit an unfair advantage to competitors. If an application contains information in these areas that an Applicant declares proprietary in nature and not available for public disclosure, the Applicant must declare the inclusion of proprietary information and noticeably label as proprietary each sheet containing such information.

The Department may request additional information about any aspect of an application in order to better evaluate the project. This information request may take the form of a meeting. Any discussions of an applicant's project will pertain only to that application and not include information from or about any other application.

By signing the Application Form, the Applicant certifies that he/she along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, prosed for debarment, or declared ineligible for an award by any State or Federal agency.

The Department may terminate and cancel this Grant Program at any time. In such a case, the Department shall give the Applicant 30 days written notice.

If for any reason the funds from the 2012-2014 Biennial Budget become unavailable, the Cabinet may cancel the Agreement and not be obliged to make any payments under the Agreement after the termination date. The Cabinet shall provide 30 day's notice of any such termination.

All costs of the project are to be included in the Detailed Budget and described in the Narrative section of the Application. After the Agreement is executed, no additional expenses may be reimbursed. These include expenses for the applicant's fees, travel, and miscellaneous expenditures. All expense charges under the Agreement must be invoiced and be supported by documentation and receipts. Costs may not exceed the project budget. Any re-allocation of costs within the budget must receive prior written approval from the Department.

The Department is not liable for social security contributions under 42 US Code, Section 418, with regard to compensation of any second party to the Grant Agreement.

Prior to the implementation of any Agreement, the Applicant is required to reveal any final determination of a violation by the Applicant within the previous five years of the provisions of:

- KRS 136, relating to State sales and use tax;
- KRS 139, relating to corporate and utility tax;
- KRS 141, relating to income tax;
- KRS 337, relating to wage and hour laws;
- KRS 338, relating to occupational health and safety laws;
- KRS 341, relating to unemployment insurance laws; and
- KRS 342, relating to workers compensation insurance laws.

In addition, the Applicant must maintain continuous compliance with the provisions of those statutes which apply to the Applicant's operations. If the applicant fails to reveal a final determination as described above or fails to comply with the above statutes for the duration of the Agreement, the Department may cancel the grant.

Discrimination (because of race, religion, color, national origin, sex, age, or disability) is prohibited.

Projects may be multi-year in duration provided that there are annual milestones and deliverables specified within each year. The Department may enter into Agreements for multi-year projects. However, the Department's funds are provided through the biennial budget, and the Department cannot commit to funding beyond the budgeted biennium.

The Commonwealth reserves the right to renew grant Agreements for up to an additional two year term, upon expiration of the initial term.

9. Restrictions on Communication with Cabinet Staff

The person named below shall be the sole point of contact throughout the application and award process. All communications (regular mail, express mail, electronic mail, or fax), concerning this application and award process must be addressed to:

Paul Brooks
Energy and Environment Cabinet
500 Mero Street, 12th Floor
Frankfort, KY 40601
502-564-7192
502-564-7484
paul.brooks@ky.gov

From the issue date of this Grant Program until Applicants are selected for award and the selection is announced, Applicants are not allowed to communicate with any Cabinet Staff concerning this Application except the Contact cited in this manual. ***For violation of this provision, the Cabinet may reject the application of the Applicant.***

10. Form of Award

Applicants whose projects are awarded funding will be required to enter into an Agreement with the Cabinet. Both parties shall sign the Agreement as binding.

The Agreement shall specify terms and conditions for reporting project performance and requesting reimbursement. Generally, payments are made on a reimbursable basis after receipt of an invoice with required documentation and a comprehensive progress report. A Department staff member will be assigned to oversee the project and approve the report and invoice for accuracy and completeness. The Department Project Manager will also meet with the project personnel periodically to be briefed on and discuss progress and results.

11. If funded, there are these stipulations:

Payment of project expenses takes place on a reimbursement basis. The Applicants must make payments for work actually completed and then submit required invoice documentation to the Department for payment. The Department shall not pay project expenses for work that is performed prior to the start date in the executed Agreement. Applicants must not begin work before receiving notification that the Department has approved the Agreement.

Grant funds may be used for indirect costs, but this is limited to 15% of the total grant award. An indirect rate shall not be charged toward Agreement expenditures.

Projects may begin after the Applicant is notified by the Department that the grant has been fully approved. Project start may be subject to the cash flow schedule determined by the Department.

Project terms will be specified in the Agreement executed by both parties. Applicants must complete projects on or before the agreed term. Requests for no-cost extensions are discouraged. However, if requested, they will be evaluated on a case-by-case basis, with final review being conducted by the Cabinet Secretary.

Attachment 1 Application Form

Attachment 2 Detailed Budget Sheet

Attachment 3 Points for Percent of Leveraged Funds

Attachment 1. Application Form



Kentucky Energy and Environment Cabinet

Department for Energy Development & Independence

500 Mero Street, 12th Floor

Frankfort, Kentucky 40601

(502) 564-7192

Energy Research 2013-2014 Grant Program Application

This Application is available on-line at energy.ky.gov

Applicant Information – Please provide a description in the boxes below for each section

Applicant Name:

Click here to enter text.

(Organization that will enter into the Grant Agreement)

Applicant is a:

Educational Institution or System ☐

Utility ☐

Non-Profit Organization ☐

Commercial, Industrial Entity ☐

Mailing Address:

Click here to enter text.

Contact Name: Click here to enter text.
text.

Title: Click here to enter

Phone Number: Click here to enter text.
text.

Email: Click here to enter

Organization Number: Click here to enter text.
enter text.

Federal Employer Click here to

(issued by the Secretary of State's Office)

Identification Number (FEIN)

Project Location – Where project is located or to be implemented

County: [Click here to enter text.](#)

City: [Click here to enter text.](#)

Identify the Local Government Economic Development Fund-eligible county(ies) that is/are targeted by this research.

County: [Click here to enter text.](#)

Project Title: [Click here to enter text.](#)

Project Category:

Clean coal ☐

New combustion technology ☐

Thin-seam coal extraction safety ☐

Tracking and communication devices ☐

Coal slurry disposal ☐

Synthetic natural gas produced from coal through gasification processes ☐

Development of alternative transportation fuels produced by processes that convert

Coal or biomass resources or extract oil from oil shale ☐

Other coal research ☐

Describe if Other [Click here to enter text.](#)

Executive Summary: *(No more than 1200 words)*

[Click here to enter text.](#)

Project Narrative (max. 25 pages) must be submitted as part of this application.

Project Funding Summary

Grant Amount Requested [Click here to enter text.](#) [Click here to enter text.](#) % of total

Match (Leverage) [Click here to enter text.](#) [Click here to enter text.](#) % of total

Total Project Cost [Click here to enter text.](#) 100 %

Provide a brief Cost-Benefit Description: (No more than 600 words)

Click here to enter text.

Attachment 2, Detailed Budget Document must be submitted as part of this application.

Applicant

Authorized Signature

Date

Printed Name

Printed Title

Partner (if applicable)

Authorized Signature

Date

Printed Name

Printed Title

When you have completed this form, print, sign, and make a copy for your records. Return the original and three copies to the address at the top of this application.

Attachment 2. Detailed Budget

BUDGET			
Additional Identification Information As Necessary			
The grant budget line-item amounts below shall be applicable only to expense incurred during the			
Applicable Period: BEGIN: DATE END: DATE			
OBJECT CLASS CATEGORY	GRANT CONTRACT	MATCH	TOTAL PROJECT
Personnel	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -
Contractual	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -
Other ¹	\$ -	\$ -	\$ -
Indirect Charges ²	\$ -	\$ -	\$ -
GRAND TOTAL	\$ -	\$ -	\$ -

¹ Applicable detail follow s this page if line-item is funded.

² Indirect Charges are limited to 15% of direct charges. Contractual isn't included in direct charges.

GRANT BUDGET LINE-ITEM DETAIL:

OTHER	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

Attachment 3. Points for Percent of Leveraged Funds

Scale of Evaluation Points for Matching Funds	
Matching Funds as % of Requested Funds	Evaluation Points
0	0
10	1.5
20	3
30	4.5
40	6
50	7.5
60	9
70	10.5
80	12
90	13.5
100	15